

## HOUSE BILL NO. 59

INTRODUCED BY R. ERICKSON

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A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING LOCAL GOVERNMENTS TO COLLECT PAYMENTS FROM SUBDIVIDERS TO PAY FOR ALL OR PART OF THE CAPITAL COSTS OF SCHOOL FACILITIES THAT ARE ATTRIBUTABLE TO A SUBDIVISION; REQUIRING THAT THE PAYMENTS BE DEPOSITED IN A SCHOOL DISTRICT BUILDING FUND; PROVIDING FOR A SEPARATE ACCOUNTING AND A REFUND OF THE PAYMENT UNDER CERTAIN CONDITIONS; AMENDING SECTIONS 20-9-508 AND 76-3-510, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 20-9-508, MCA, is amended to read:

**"20-9-508. Building fund.** (1) The trustees of a district shall establish or credit the building fund whenever the district:

(a) issues and sells bonds under the school district bonding provisions of this title for purposes other than refunding bonds of the district;

(b) receives federal money for the express purpose of building, enlarging, or remodeling a school building or other building of the district;

(c) sells property of the district in accordance with the law authorizing the sale;

(d) earns interest from the investment of building fund money under the provisions of 20-9-213(4), except that interest earned from the investment of bond money under the provisions of 20-9-435 must be credited to a fund in accordance with that section; or

(e) receives any other money, including payments made by a developer or subdivider under the provisions of 20-9-615 or 76-3-510, for the express purpose of building, enlarging, or remodeling a school building or other building of the district in order to serve more students.

(2) (a) The financial administration of the building fund must be in accordance with the financial administration provisions of this title for a nonbudgeted fund and must provide for a separate accounting of:

(i) the money realized by each bond issue;

1 ~~(ii) or by the money for~~ each construction project financed by a federal grant of money; or

2 (iii) payments collected from a developer or subdivider pursuant to 20-9-615 or 76-3-510. The  
3 payments must be dedicated to and expended for the purposes for which they were collected.

4 (b) Any other money deposited to the credit of this fund must be expended for building,  
5 enlargement, remodeling, or repairing of buildings of the district at the discretion of the trustees.

6 (3) Money credited to the building fund under the provisions of subsection (1)(a) must be  
7 expended for the express purpose or purposes authorized by the bond proposition approved at the election  
8 authorizing the issuance of the bonds. Any money realized by the sale of bonds and remaining to the credit  
9 of the building fund after the full accomplishment of the purpose for which the bonds were sold must be  
10 transferred to the debt service fund to be used for the redemption of the bonds.

11 (4) Money credited to the building fund under the provisions of subsection (1)(b) must be  
12 expended for the express purpose or purposes authorized by the federal government in granting the  
13 money."  
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15 **Section 2.** Section 76-3-510, MCA, is amended to read:

16 **"76-3-510. Payment for extension of capital facilities.** ~~(1) A local government~~ The governing body  
17 may require a subdivider to pay or guarantee payment for part or all of the costs of extending capital  
18 facilities related to public health and safety, including but not limited to public roads, sewer lines, water  
19 supply lines, and storm drains to a subdivision. The costs must reasonably reflect the expected impacts  
20 directly attributable to the subdivision. ~~A local government may not require a subdivider to pay or~~  
21 ~~guarantee payment for part or all of the costs of constructing or extending capital facilities related to~~  
22 ~~education.~~

23 (2) The governing body, with the consent of the trustees of the affected school district, may  
24 require a subdivider to pay or guarantee payment for all or part of the capital costs of public school  
25 facilities, subject to each of the following requirements:

26 (a) The payment must reasonably reflect the expected impacts directly attributable to the  
27 subdivision based on:

28 (i) the capital facilities plan prepared by the school district; or

29 (ii) with the consent of the school district trustees, the community impact report provided for in  
30 76-3-603.

- 1        (b) The payment must be deposited in a building fund established pursuant to 20-9-508.  
2        (c) The governing body shall require that the money be refunded by the school district, along with  
3 any interest accrued at 4% a year, if the subdivider does not proceed with the development activity."

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5        NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2001.

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